

8953
RECORDATION NO. Filed & Recorded

AUG 29 1977 - 1 25 PM GRAVATH, SWAINE & MOORE 7-2411059

ONE CHASE MANHATTAN PLAZA

MAURICE T. MOORE
BRUCE BROWN
ROSWELL L. GILPATRICK
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER
CHARLES R. LINTON
WILLIAM B. MARSHALL
RALPH L. MCAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DEKOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
HENRY P. RIORDAN
JOHN R. HUPPER
SAMUEL C. BUTLER
WILLIAM J. SCHRENK, JR.
BENJAMIN F. CRANE
FRANCIS F. RANDOLPH, JR.
JOHN F. HUNT, JR.
GEORGE J. GILLESPIE, III
RICHARD S. SIMMONS
WAYNE E. CHAPMAN
THOMAS D. BARR

NEW YORK, N.Y. 10005

212 MANHATTAN 2-3000

INTERNATIONAL TELEX: 820976

TELETYPE: 710-581-0338

TELEX 1255

AUG 29 1977 - 1 25 PM

INTERSTATE COMMERCE COMMISSION

8953, 6

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INTERSTATE COMMERCE COMMISSION

CARLYLE E. MAW
L. R. BRESLIN, JR.
HAROLD R. MEDINA, JR.
COUNSEL

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TERMINAL HOUSE
62, GROSVENOR GARDENS
LONDON, SW1W 0AU, ENGLAND
TELEPHONE: 01-730-5203
TELEX: 917840

RECORDATION NO. 8953, 6
AUG 29 1977 - 1 25 PM
INTERSTATE COMMERCE COMMISSION

AUG 29 1977

late
fee \$ 16.00

CC Washington, D.C.

RECORDATION NO. 8953, 6

AUG 29 1977 - 1 25 PM

INTERSTATE COMMERCE COMMISSION

August 29, 1977

Dear Sir:

Herewith for recordation pursuant to Section 20c of the Interstate Commerce Act, on behalf of Peterson, Howell & Heather (Canada) Limited and Canadian National Railway Company, are counterparts of the following:

(1) Equipment Purchase Agreement dated as of August 16, 1977, between Canadian National Railway Company, as Seller, and Peterson, Howell & Heather (Canada) Limited, as Purchaser.

(2) Lease of Railroad Equipment dated as of June 1, 1977, between Peterson, Howell & Heather (Canada) Limited, as Lessor, and Canadian National Railway Company, as Lessee.

(3) Trust Indenture dated as of June 1, 1977, between Peterson, Howell & Heather (Canada) Limited, as Company, and The Royal Trust Company, as Trustee.

(4) First Supplemental Trust Indenture dated as of June 1, 1977, between Peterson, Howell & Heather (Canada) Limited, as Company, and The Royal Trust Company, as Trustee.

The addresses of the parties to the aforementioned agreements are:

Seller-Lessee:

Canadian National Railway Company
935 La Gauchetiere West
Montreal, Quebec H3C 3N4
Canada.

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AUG 29 1 21 PM '77
T.O.C.
FEE OPERATION BR.

Handwritten signatures and notes:
- "C. Owen Taylor" (signature)
- "Joseph A. Brown" (signature)
- "1-2411059" (handwritten number)

Purchaser-Lessor-Company:

Peterson, Howell & Heather
 3 Place du Commerce
 Ile des Sours
 Montreal, Quebec H3E 1H7
 Canada.

Trustee:

The Royal Trust Company
 630 Dorchester Boulevard West
 Montreal, Quebec,
 Canada.

The equipment covered by the aforementioned agreements consists of 55 70-ton Flat Cars--Bulkhead bearing the road numbers of the Canadian National Railway Company CN-620443; 620446-620499, 9 70-ton Long Steel Hopper Cars bearing the road numbers of the Canadian National Railway Company CN-302591-302599; 7 Ohio Model DE-400 Locomotive Cranes 40/50 ton capacity bearing the road numbers of the Canadian National Railway Company CN-50470-50476, 1 Model 40 Ser. #40-400 Standard Burro Crane bearing the road number of the Canadian National Railway Company CN-50477, 1 Model 40 Burro Crane 12-1/2 ton capacity bearing the road number of the Canadian National Railway Company CN-50478 and 1 Model 4-100 Jordan Spreader Ditcher Snow Plow bearing the road number of the Canadian National Railway Company CN-50938, and also bearing the legend "Ownership subject to a security agreement filed under the Interstate Commerce Act, Section 20c".

Enclosed is our check for \$160 for the required recordation fee. Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,



Kris F. Heinzelman

Robert L. Oswald, Esq., Secretary,
 Interstate Commerce Commission,
 Washington, D. C. 20423

Encls.

G

Interstate Commerce Commission
Washington, D.C. 20423

8/29/77

OFFICE OF THE SECRETARY

Kris F. Heinzelman
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 8/29/77 at 1:25pm ,
and assigned recordation number(s) 8953, 8953-A, 8953-B & 8953-C

Sincerely yours,



H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

AUG 29 1977 - 1 22 PM

THIS FIRST SUPPLEMENTAL TRUST INDENTURE dated as of June 1, 1977, by and between PETERSON, HOWELL & HEATHER (CANADA) LIMITED, a company duly incorporated under the laws of Canada, having its head office at the City of Verdun, in the Province of Quebec (hereinafter called the Company) and THE ROYAL TRUST COMPANY, a trust company duly incorporated under the laws of the Province of Quebec having its head office in the City of Montreal, in the Province of Quebec, as trustee (hereinafter called the Trustee).

WHEREAS the parties hereto have agreed to amend the Trust Indenture and the Trust Deed of Hypothec, Mortgage and Pledge in notarial form (hereinafter called the "Principal Indenture") both dated as of June 1, 1977 between the Company and the Trustee thereby, among other things, substituting certain units of railroad equipment and railroad work equipment for certain units of the Equipment secured by the Principal Indenture and described in Section 21.1 thereto;

NOW, THEREFORE, the parties hereto have hereby agreed with each other as follows:

ARTICLE 1

Interpretation

SECTION 1.01. Indenture supplemental to Principal Indenture. This Supplemental Indenture is supplemental to the Principal Indenture and the Principal Indenture and the Notes issued thereunder shall henceforth be read in conjunction with this Supplemental Indenture and the Principal Indenture and this Supplemental Indenture shall have effect so far as practicable as if all the provisions of the Principal Indenture

and of this Supplemental Indenture were contained in the one instrument and, unless otherwise herein expressly provided or unless there is something in the subject matter or context hereof inconsistent therewith, the expressions used in this Supplemental Indenture shall have the same meanings as are ascribed to corresponding expressions in the Principal Indenture.

SECTION 1.02. Definition. The term "the Indenture". whenever used herein, means the Principal Indenture as supplemented and amended by any Indenture, deed or instrument supplemental or ancillary thereto including this Supplemental Indenture.

ARTICLE II

Payment Dates

SECTION 2.01. Payment Dates. All references to the twenty-third day of February and the twenty-third day of August contained in Sections 2.5, 2.12, 3.1, 3.2, 3.3 and 20.1 of the Principal Indenture are hereby amended to refer to the twenty-eighth day of February and the thirtieth day of August as the case may be.

ARTICLE III

Charging Provisions

SECTION 3.01. In consideration of the premises and One Dollar (\$1) to it in hand paid by the Trustee (receipt whereof is hereby acknowledged) and in pursuance of every power and authority it thereunto enabling and for the purpose of securing the payment in lawful money of the United States of America of all of the Notes and of the interest thereon and of all other

sums, if any, from time to time due under the Indenture to the holders of the Notes the Company doth hereby, subject only to Permitted Encumbrances,

(a) grant, bargain, sell, convey, confirm, assign, release, transfer, mortgage, pledge and charge as and by way of a first fixed and specific mortgage to and in favour of the Trustee and its successors in the trust, as Trustee for the benefit of the holders of the Notes;

(b) hypothec, mortgage, pledge and charge as and by way of a first fixed and specific hypothec, mortgage, pledge and charge to and in favour of the Trustee and its successors in the trust as Trustee for the benefit of the holders of the Notes, for and with the payment of the sum of Six million Dollars (\$6,000,000) in lawful money of Canada and interest thereon at the rate of eight and one-quarter percent ($8\frac{1}{4}\%$) per annum and for and with the payment of the additional sum of One million two hundred thousand Dollars (\$1,200,000) to secure the due payment of all other sums, if any, from time to time due under the Indenture to the holders of the Notes; and

(c) cede and transfer for the same purposes to the Trustee and its successors in the trust as Trustee for the benefit of the holders of the Notes;

all present and future assigned rentals and all right, title and interest of the Company in, to and under the CN Lease and the

Equipment including, without limitation, the Equipment described in Article IV hereof.

SECTION 3.02. To have and to hold the Mortgaged Property and the hypothecs, mortgages, pledges and charges and cessions and transfers thereof under the Indenture and all rights conferred by the Indenture unto the Trustee, its successors and assigns, but in trust, nevertheless, for the benefit and security of all the holders of all Notes issued and to be issued under the Indenture without any preference or priority of any of said Notes over any others thereof, by reason of priority at the time of issue or negotiation thereof, or otherwise howsoever, and subject to the conditions, provisions, covenants and stipulations expressed in the Indenture.

SECTION 3.03. The hypothecs, mortgages, pledges and charges and cessions and transfers hereby made and created shall be and have effect whether or not the moneys thereby secured shall be advanced before or after or at the same time as, the issue of any of the Notes intended to be thereby secured, or the advance of the moneys thereby secured, or any part thereof, or before or after, or upon the date of the execution of these presents.

SECTION 3.04. The Company shall forthwith, and from time to time, execute and do all deeds, documents and things which in the opinion of the legal advisers of the Trustee are necessary or advisable for giving the Trustee the security intended to be created by this deed, and for conferring upon the Trustee such powers of sale and other powers over the Mortgaged Property as are hereby expressed to be conferred.

ARTICLE IV

The Equipment

SECTION 4.01. Section 21.1 of Article XXI of the Principal Indenture is hereby amended to read as follows:

"SECTION 21.1. The following is a description of the Equipment and the amount of the Cost of each unit thereof to the Company:

<u>Type of Equipment</u>	<u>Specifi- cations</u>	<u>Builder or Supplier</u>	<u>No. of Units</u>	<u>Unit Numbers</u>	<u>Cost per Unit to the Company</u>	<u>Total Cost to th. Company for All Units</u>
Flat Cars-- Bulkhead	70-ton	National Steel Car Corporation, Limited	55	CN-620443; 620446- 620499	\$ 28,452.75	\$1,564,901.25
Long Steel Hopper Cars	70-ton	National Steel Car Corporation, Limited	9	CN-302591- 302599	\$ 29,419.01	\$ 264,771.09
Locomotive Cranes 40/50 ton capacity	Ohio Model DE-400	Woodings Canada Limited	7	CN-50470- 50476	\$372,714.29	\$2,609,000.03
Standard Burro Crane	Model 40 Ser.#40-400	Woodings Canada Limited	1	CN-50477	\$192,000.00	\$ 192,000.00
Burro Crane 12½ ton capacity	Model 40	Woodings Canada Limited	1	CN-50478	\$212,000.00	\$ 212,000.00
Jordan Spreader Ditcher Snow Plow	Model 4-100	Jackson Inter- national Corporation	1	CN-50938	\$196,000.00	\$ 196,000.00
						<u>\$5,038,672.37</u> =====

SECTION 4.02. Release and Reconveyance. The Trustee hereby releases and reconveys to the Company all the right, title and interest of the Trustee in and to the following units of railroad equipment: -

- (i) 68 Hopper Ballast Cars bearing
Canadian National Railway Company
road numbers CN-56500 to CN-56567;
- (ii) 1 Well Body Flat Car bearing
Canadian National Railway Company
road number CN-670002.

ARTICLE V

Notarial Deed

SECTION 5.01. The Company, in conformity with the laws of the Province of Quebec, in which part of the Mortgaged Property is situate, has signed and executed or will sign and execute in notarial form a First Supplemental Trust Deed of Hypothec, Mortgage and Pledge hypothecating, mortgaging, pledging and charging and ceding and transferring the Mortgaged Property in the manner herein provided as security for the Notes, such Supplemental Deed being substantially in the same tenor and to the same effect as this Supplemental Indenture, both the said instruments constituting and to be read as one instrument.

ARTICLE VI

Formal Date

SECTION 6.01. This Supplemental Indenture may be

referred to as being dated as of June 1, 1977, notwithstanding the actual date of its execution.

IN WITNESS WHEREOF the parties hereto have executed this Indenture.

Signed, sealed and delivered in the presence of:

John G. Gibby

PETERSON, HOWELL & HEATHER
(CANADA) LIMITED

by

U. U. Smith
Executive Vice-President

and by

P. M. Crosby
Assistant Secretary

THE ROYAL TRUST COMPANY

by

[Signature]
Assistant Secretary

and by

[Signature]
Corporate Trust Consultant

PROVINCE OF QUEBEC,)
) ss.:
CITY OF MONTREAL,)

On this 16th day of August 1977, before me personally appeared Ross E. Francis, to me personally known, who being by me duly sworn, says that he is a Corporate Trust Consultant of THE ROYAL TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the seal of said company, that said instrument was signed and sealed on behalf of said company by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

[Seal]

My Commission *In life* Expires:

Daura Whitney Notary

Notary Public

PROVINCE OF QUEBEC,)
) ss.:
CITY OF MONTREAL,)

On this 16th day of August 1977, before me personally appeared Richard P. Smith, to me personally known, who being by me duly sworn, says that he is an Executive Vice President of PETERSON, HOWELL & HEATHER (CANADA) LIMITED, that one of the seals affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

My Commission *In life* Expires:

Daura Whitney Notary

Notary Public

LESSEE'S CONSENT AND AGREEMENT

The undersigned, CANADIAN NATIONAL RAILWAY COMPANY, a corporation duly incorporated under the laws of Canada, the Lessee (hereinafter called the Lessee) named in the Lease (hereinafter called the Lease) referred to in the Trust Indenture dated as of June 1, 1977, between Peterson, Howell & Heather (Canada) Limited and The Royal Trust Company, as Trustee (hereinafter called the Trust Indenture), which Trust Indenture has been amended and supplemented by a First Supplemental Trust Indenture, dated as of June 1, 1977 (the Trust Indenture as so amended and supplemented being hereinafter called the Supplemented Trust Indenture) hereby (a) acknowledges receipt of a copy of each of the Trust Indenture and the aforementioned First Supplemental Trust Indenture and (b) consents to all the terms and conditions of the assignment of the Lease made in the Supplemented Trust Indenture and agrees that:

(1) so long as no Event of Default under the Supplemented Trust Indenture shall have occurred and be continuing, it will pay all Assigned Rentals (as defined in the Supplemented Trust Indenture) directly to The Royal Trust Company (hereinafter called the Trustee) at the office of the Trustee, 630 Dorchester Boulevard West, Montreal, Quebec, Canada (or at such other address as may be furnished in writing to the Lessee by the Trustee);

(2) the Trustee shall be entitled (a) to apply the Assigned Rentals as provided in Section 5.2 of the Trust Indenture and (b) to receive the benefits of and enforce performance of, all the covenants to be performed by the undersigned under the Lease as though the Trustee were named therein as the Lessor, and shall be required to give written notice to the Lessee of an Event of Default under the Supplemented Trust Indenture, provided that without limitation of the rights granted in the foregoing clauses (a) and (b), to give any such notice, any such notice shall conclusively evidence, as between the Trustee and the Lessee, the occurrence and continuance of any Event of Default under the Supplemented Trust Indenture;

(3) the Trustee shall not, by virtue of this Consent and Agreement, be or become subject to any liability or obligation under the Lease or otherwise; and

(4) the Lease shall not, without the prior written consent of the Trustee, be amended, terminated or modified, nor shall any action be taken or omitted by the undersigned, the taking or omission of which might result in an alteration or impairment of the Lease or this Consent and Agreement or of any of the rights created by any thereof.

This Consent and Agreement may be executed in several counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument.

This Consent and Agreement shall be deemed to be a contract under the laws of the Province of Ontario and, for all purposes, shall be construed in accordance with the laws of said Province.

Dated as of June 1, 1977

CANADIAN NATIONAL RAILWAY
COMPANY,

by

J. Spicer Approved
Vice President as to form only
Attorney

by

Paul J. [unclear]
Vice President and Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 1st day of June 1977.

THE ROYAL TRUST COMPANY,
as Trustee under a Trust
Indenture dated as of
June 1, 1977,

by

[Signature]
Authorized Officer

and by

L. E. Heard
AUTHORIZED OFFICER

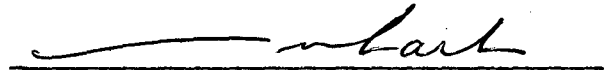
PROVINCE OF QUEBEC,)
) ss.:
CITY OF MONTREAL,)

On this ^{26th} day of August 1977, before me personally appeared J H Spier, to me personally known, who, being by me duly sworn, says that he is a Vice President of CANADIAN NATIONAL RAILWAY COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Notary Seal]

My Commission expires

July 3, 1979


G. ERIC URQUHART
COMMISSIONER FOR OATHS
COMMISSAIRE À L'ASSERMENTATION
DISTRICT - MONTREAL

8953/C
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NOW, THEREFORE, the parties hereto have hereby agreed with each other as follows:

ARTICLE 1

Interpretation

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